

FAMILY-OWNED FRUIT COMPANY HARVESTS OVERSEAS MARKETS

by Amy Klemt

U.S. Commercial Service

Casa de Fruta of Hollister, California knows about growth and success. The third generation family-owned company began in 1908 with a few orchards at the southern end of the Santa Clara Valley. Today, Casa de Fruta produces a range of fresh, dried and chocolate-covered fruits, as well as nuts, wines and other gourmet products for mail-order customers worldwide. Always on the lookout for growth opportunities, Casa de Fruta recently expanded into international markets with a \$60,000 sale of pomegranate wine to Japan.

Exporting was a logical step for Casa de Fruta. The family business grew from a few orchards to a small roadside cherry stand in the 1940s, but the growth didn't stop there. Today, Casa de Fruta is a large roadside travelers stop that, along with its world famous fruit stand, includes a restaurant, motel, wine tasting/deli, fuel station, gift shop, RV park and more.



Photo courtesy of U.S. Commercial Service, San Jose

Joe Zanger, of Casa de Fruta, displays his wares in his Santa Clara Valley store.

Like many small U.S. firms, Casa de Fruta's first large international sale was not without challenges. One involved a labeling problem that threatened the sale of an order of pomegranate wine. Joe Zanger, a managing partner, turned to the U.S. Commercial Service for help. The problem was quickly solved and the sale completed with the help of International Trade Specialist Chris Damm of the U.S. Commercial Service's San Jose Export Assistance Center.

The U.S. Commercial Service is a Commerce Department unit that helps U.S. businesses, particularly small and mid-sized companies, make international sales. It has a global network that includes 107 offices in the U.S., and 151 others in 83 countries around the world.

After the success in Japan, Zanger worked with Damm and Mark Weaver at the Monterey, California U.S. Export Assistance Center to pursue sales in Mexico. Zanger attended two trade shows in Mexico with financial help from the Foreign Agriculture Service's Market Access Program. Weaver advised Zanger to also use a Gold Key Service to enter the Mexican market. Commercial Service officers in Mexico identified promising potential distributors and set up meetings for Zanger with the best prospects. "The Commercial Service did a financial background check on the distributor we chose. I don't know how I would have determined his creditworthiness without that help," says Zanger. "We now have a designated distributor and sales agent in Mexico City."

Zanger advises other U.S. businesses to move cautiously and be patient when entering new markets. "If it was easy, everyone would do it," says Zanger. "There are so many things you can't control in international markets. That's why a small company should contact the Commercial Service first." He cautions that a company can only go so far with government help. They must first have a good product and a competitive pricing structure. "You have to have interest in your product and the Commercial Service helps you identify whether that interest exists," he says.

Zanger also suggests that U.S. firms entering new markets look for funding and cost-sharing opportunities such as the one provided by the Foreign Agriculture Service for agricultural-based products. The trade specialists in the Commercial Service help identify those opportunities and assist U.S. companies with every step of the export process. "The Commercial Service offers solutions to all types of export problems and brings credibility to the process," says Zanger.

Zanger reports that interest in Casa de Fruta's products continues to increase. With a taste of what international markets can offer fresh on their palettes, the folks at Casa de Fruta see a big appetite abroad for their products. ■

For more information on Casa de Fruta, please visit www.casadefruta.com.